Federal Communications Commission 445 12<sup>th</sup> St., S.W. Washington, D.C. 20554

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> DA 16-991 August 30, 2016

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF CITRIX COMMUNICATIONS LLC, CITRIX ONLINE AUDIO LLC, AND GRASSHOPPER GROUP LLC TO LOGMEIN, INC.

## STREAMLINED PLEADING CYCLE ESTABLISHED

**WC Docket No. 16-256** 

Comments Due: September 13, 2016 Reply Comments Due: September 20, 2016

Citrix Systems, Inc. (Citrix) and LogMeIn, Inc. (LogMeIn) (together, Applicants) filed an application pursuant to section 214 of the Communications Act of 1934, as amended, and section 63.03 of the Commission's rules requesting approval to transfer control of Citrix subsidiaries Citrix Communications LLC (Citrix Communications), Citrix Online Audio LLC (Citrix Online Audio), and Grasshopper Group LLC (Grasshopper) to LogMeIn.<sup>1</sup>

Citrix, a publicly traded Delaware corporation, develops and markets technology enabling IT to ensure systems are securely available to users via the cloud or on-premise and across any device or platform. Citrix currently has three wholly owned direct subsidiaries holding blanket domestic 214 authorizations: Citrix Communications, Citrix Online Audio, and Grasshopper. Citrix also currently has one wholly owned indirect subsidiary, Citrix Communications Virginia LLC.<sup>2</sup> According to the Applicants, no current owner holds more than 10 percent of the outstanding shares of Citrix.

Citrix Communications, a Delaware limited liability company, is a competitive local exchange carrier (LEC) and interexchange carrier authorized to provide intrastate local, intrastate interexchange, and switched access services in the states of California, Florida, Georgia, Illinois, Maryland,

<sup>&</sup>lt;sup>1</sup> See 47 U.S.C. § 214; 47 CFR § 63.03; see also Domestic Section 214 Application Filed for the Transfer of Control of Citrix Communications LLC, Citrix Online Audio LLC, and Grasshopper Group to LogMeIn, Inc., WC Docket No. 16-256 (filed Aug. 12, 2016) (Application). Applicants also filed applications for the transfer of authorizations associated with international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

<sup>&</sup>lt;sup>2</sup> Two subsidiaries, GetGo, Inc. (GetGo) and GetGo Audio LLC (GetGo Audio), have been created for the purpose of the internal Citrix restructuring and the proposed transaction discussed further below. GetGo, a Delaware corporation, is currently a wholly owned subsidiary of Citrix. GetGo will focus on providing cloud-based and platform agnostic service offerings. GetGo Audio, a Delaware limited liability company, will be providing audio conferencing services throughout the United States.

Massachusetts, New Jersey, New York, and Texas. Citrix Communications also is authorized to provide interstate interexchange and switched access service. Citrix Communications Virginia LLC, a Virginia limited liability company, is a wholly owned subsidiary of Citrix Communications that provides facilities-based and resold local exchange, interexchange, and access telecommunications services throughout the Commonwealth of Virginia. Citrix Online Audio, a Delaware limited liability company, provides audio conferencing services throughout the United States.

Grasshopper, a Massachusetts limited liability company, offers integrated phone service solutions, voicemail processing, and other enhanced services to business end-users. Grasshopper is registered to provide interstate telecommunications services and is authorized to provide competitive resold interexchange long distance telecommunications in Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Utah, Virginia, and Washington.

LogMeIn, a publicly traded Delaware corporation, provides cloud-based connectivity solutions that enable users to work remotely, use a mix of personal and employer-procured technology for work purposes, secure online or cloud-based services, support and manage remote computers and other Internet-enabled devices, and collaborate with other users. LogMeIn does not offer domestic telecommunications service of any kind but relies on third parties for such services.

Pursuant to the terms of the proposed transaction, GetGo will merge with Lithium Merger Sub, Inc., a wholly owned subsidiary of LogMeIn, with GetGo surviving the merger and remaining as a wholly owned subsidiary of LogMeIn. Applicants state the merger will result in Citrix equity shareholders receiving shares in LogMeIn that equal approximately 50.1 percent of all outstanding shares of LogMeIn on a fully diluted basis, while existing LogMeIn shareholders will own approximately 49.9 percent of the outstanding shares of the combined LogMeIn company on a fully diluted basis.<sup>3</sup> Based on the share distribution contemplated by the Applicants, they anticipate there will be no owner of more than 10 percent of outstanding shares of LogMeIn following completion of the proposed transaction. Applicants state upon completion of the proposed transaction, various LogMeIn executives and board members will continue in their respective roles. For example, LogMeIn's President and Chief Executive Officer, as well as its Chief Financial Officer will continue in their respective roles. Following the closing of the Proposed Transaction, LogMeIn's board of directors will consist of nine directors: five current LogMeIn directors and four Citrix director appointees. The former CEO and current Chairman of the board of directors of LogMeIn, is expected to remain in place as Chairman of LogMeIn's board of directors post-transaction. The President and Chief Executive Officer of LogMeIn will also retain his board seat.

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<sup>&</sup>lt;sup>3</sup> Applicants state that, in connection with the proposed transaction, Citrix intends to complete an internal multiple-step restructuring process involving a pro forma assignment, name changes of certain Citrix entities, and the pro forma transfer of control of certain Citrix entities to GetGo. Specifically, Citrix intends to complete a pro forma assignment of the domestic and international section 214 authority held by Citrix Online Audio to GetGo Audio, a wholly owned subsidiary of GetGo. Citrix Online Audio will subsequently be dissolved. At the same time, Citrix will change the names of Citrix Communications to become GetGo Communications LLC while Citrix Communications Virginia LLC will become GetGo Communications Virginia, LLC. Applicants further state that Citrix intends to concurrently complete the pro forma transfer of the domestic and international section 214 authority of its three wholly owned telecommunications subsidiaries, GetGo Communications LLC, GetGo Audio, LLC, and Grasshopper Group, LLC from Citrix to GetGo. *See* Application at 1, 5-6, and Appendix A for a fuller description of the pro forma transaction and name changes.

LogMeIn's other three directors will be named at a later date. Citrix's director appointees will consist of current Citrix directors. Applicants further state that the LogMeIn board of directors will form an Operating Committee following the close of the proposed transaction, which will consist of two LogMeIn directors and two Citrix directors.<sup>4</sup>

Applicants assert that this proposed transaction qualifies for streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.<sup>5</sup>

Domestic Section 214 Application Filed for the Transfer of Control of Citrix Communications LLC, Citrix Online Audio LLC, and Grasshopper Group to LogMeIn, Inc., WC Docket No. 16-256 (filed Aug. 12, 2016).

## **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before September 13, 2016**, and reply comments **on or before September 20, 2016**. Pursuant to section 63.52 of the Commission's rules, 47 CFR § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31<sup>st</sup> day after the date of this notice.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): http://apps.fcc.gov/ecfs/.

## In addition, e-mail one copy of each pleading to each of the following:

- 1) Myrva Freeman, Competition Policy Division, Wireline Competition Bureau, myrva.freeman@fcc.gov;
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, <a href="mailto:gregory.kwan@fcc.gov">gregory.kwan@fcc.gov</a>;
- 3) Jim Bird, Office of General Counsel, <a href="mailto:im.bird@fcc.gov">im.bird@fcc.gov</a>;
- 4) David Krech, International Bureau, <u>david.krech@fcc.gov</u>;
- 5) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov;

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<sup>&</sup>lt;sup>4</sup> See Application at 1, 5-6, and Appendix A for a fuller description of the proposed transaction including organizational charts.

<sup>&</sup>lt;sup>5</sup> 47 CFR § 63.03(b)(2)(i).

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The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

For further information, please contact Myrva Freeman at (202) 418-1506 or Gregory Kwan at (202) 418-1191.